

Message Text

CONFIDENTIAL

PAGE 01 MANAGU 03782 112121Z

13

ACTION ARA-10

INFO OCT-01 IO-13 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

/104 W

----- 090782

R 111821Z AUG 76

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 829

INFO USDEL MTN GENEVA

AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L MANAGUA 3782

GUATEMALA FOR ROCAP

E.O. 11652: GDS

TAGS: ETRD, MTN, NU

SUBJECT: TROPICAL PRODUCTS NEGOTIATIONS: CACM CONTRIBUTIONS

REF: STATE 170415

1. BEGIN SUMMARY: THE GON APPEARS FAVORABLY DISPOSED TO GRANTING
RECIPROCAL CONCESSIONS TO US IN RETURN FOR DEVELOPED COUNTRY
TROPICAL PRODUCTS CONCESSIONS. HOWEVER, NICARAGUAN CUSTOMS FINDS
THAT CLASSIFICATION NUMBERS EMBASSY OBTAINED FROM DEPARTMENT DO
NOT ACCORD WITH NAUCA CLASSIFICATIONS AND TARIFF RATES. FOREIGN
MINISTRY OFFICIALS MADE APPARENTLY PRO FORMA INQUIRY WHETHER NICA-
RAGUA MIGHT NOT BE ELIGIBLE FOR FURTHER, UNSPECIFIED TARIFF
CONCESSIONS FRO THE US SINCE NICARAGUA IS A MEMBER OF GATT, UN-
LIKE ITS CACM PARTNERS, END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANAGU 03782 112121Z

ACTION REQUESTED: CLARIFICATION OF CLASSIFICATION NUMBERS AND RELEVANT TARIFFS.

2. A A NICARAGUAN CUSTOMS OFFICIAL DISCUSSED TARIFF CONCESSIONS ISSUE WITH COMMERCIAL OFFICER AUGUST 6. THE OFFICIAL INDICATED THAT:

- A. THE GON IS GENERALLY FAVORABLY DISPOSED TO GIVING RECIPROCAL CONCESSIONS FOR DEVELOPED COUNTRY TROPICAL PRODUCTS CONCESSIONS.
- B. ACCORDING TO NICARAGUAN CUSTOMS THE LIST OF CONTRIBUTIONS THE U.S. IS REQUESTING FROM CACM, AS POUCHED TO THE MANAGUA EMBASSY, CONTAINS A NUMBER OF ERRORS. THE ERRORS AND CORRECTIONS SUGGESTED BY CUSTOMS ARE:
 - I) VEGETABLE PROTEINS SHOULD FALL IN THE CENTRAL AMERICAN TARIFF NOMENCLATURE (NAUCA) CLASSIFICATION 599.09.15.09 (FIVE

NINE NINE, ZERO NINE, FIFTEEN, ZERO NINE), A BASKET CATEGORY, WHICH IS TAXED AT 0.01 PER KG. PLUS 15 PERCENT AD VALOREM, NOT IN 599.09.09 OR 081.03.00 OR 099.09.06 AS SUGGESTED IN THE POUCHED U.S. PROPOSAL.

II) CORN SOY MILK BLENDS, IF FOR HUMAN CONSUMPTION, FALL UNDER THE CENTRAL AMERICAN TARIFF NUMBER 029.09.00.09 (ZERO TWO NINE, ZERO NINE, ZERO ZERO, ZERO NINE)"MILK PRODUCTS NOT ELSEWHERE LISTED", WHICH IS TAXED 0.40 (FORTY CENTS) PER KG. PLUS 15 PERCENT, INSTEAD OF 047.02.00 OR 081.03.00 AS SUGGESTED BY THE U.S.

III) WHEAT FLOUR SOY BLENDS SHOULD FALL IN THE NAUCA CATEGORY 048.09.02 (ZERO FOUR EIGHT, ZERO NINE, ZERO TWO), WITH A TARIFF OF 0.10/KG PLUS 10 PERCENT (TEN CENTS PLUS TEN PERCENT), INSTEAD OF 046.01.01 AS SUGGESTED IN THE U.S. LIST.

IV) CORN SOY MILK BLENDS AND WHEAT FLOUR SOY BLENDS, IF USED AS ANIMAL FEED, SHOULD PROBABLY FALL INTO THE CATEGORY 081.09.01.01 (ZERO EIGHT ONE, ZERO NINE, ZERO ONE, ZERO ONE),"ANIMAL FEED NOT ELSEWHERE INCLUDED".

V) INCUBATORS AND BROODERS HAVE A DUTY OF 10 PERCENT (TEN), NOT 15 PERCENT AS LISTED BY THE U.S.

VI) CONDENSATION RESINS SHOULD BE CLASSIFIED UNDER 599.01.04.09 (FIVE NINE NINE, ZERO ONE, ZERO FOUR, ZERO NINE), RATHER THAN 599.01.04.02, WHICH CARRIED A DUTY OF .03(THREE CENTS) PER KG. PLUS 5 PERCENT (FIVE).

VII) THE DUTY ON INSTRUMENTS FOR DETERMINING PHYSICAL PROPERTIES OF INDUSTRY MATERIALS (861.09.04) IS 10 PERCENT (TEN) NOT 15 PERCENT AS LISTED.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANAGU 03782 112121Z

3. APPARENTLY THE CACM COUNTRIES WILL ADOPT THE BRUSSELS TARIFF NOMENCLATURE (BTN) SOMETIME IN THE NOT TOO DISTANT FUTURE, AND MEETINGS HAVE ALREADY BEGUN AMONG THE FIVE COUNTRIES. THE NICARAGUAN CUSTOMS SUGGESTS THAT THE CACM CONCESSIONS COULD BE INCLUDED WHEN THE NEW BTN IS ADOPTED. THE NEXT MEETING AMONG CACM OFFICIALS REGARDING THE BTN WILL TAKE PLACE IN SAN JOSE AUGUST 24-27, ALTHOUGH ACTUAL ADOPTION OF THE NEW NOMENCLATURE WILL PROBABLY TAKE AT LEAST

ANOTHER. YEAR. THE PROCESS OF TECHNICALLY CONCERTING THE CENTRAL AMERICAN NOMENCLATURE TO THE BTN CATEGORY BY CATEGORY HAS ALREADY BEEN COMPLETED, BUT THE READJUSTING OF THE COMMON CACM TARIFF RATES WILL TAKE SOME TIME YET.

4. EMBASSY REQUESTS DEPARTMENT'S EXAMINATION OF THE ABOVE SUGGESTED CACM CONTRIBUTIONS TO THE TROPICAL PRODUCTS NEGOTIATIONS. REACTIONS IN OTHER CACM COUNTRIES TO POUCHED U.S. LIST OF PROPOSED CONTRIBUTIONS WOULD ALSO BE USEFUL. EMBASSY INDICATED TO CUSTOMS THAT IT WOULD BE BACK IN TOUCH IN THE NEAR FUTURE AFTER WE RECEIVE WORD FROM WASHINGTON ON THE SUGGESED REVISIONS IN THE US LIST.

5. MINISTER-CONSULAR RIGOBERTO TORUNO CORONEL, CHIEF, INTERNATIONAL ECONOMIC CONFERENCES SECTION, MINISTRY OF FOREIGN AFFAIRS SUMMONED EMBOFFS AUGUST 9 TO DISCUSS REQUESTED CONCESSIONS. THRUST OF TORUNO'S COMMENTS WAS THAT: (A) ALTHOUGH ITEMS FOR WHICH US REQUESTS CONCESSIONS NOT NOW IMPORTANT TO NICARAGUA, THEY MIGHT BE IN THE FUTURE; AND (B) THAT NICARAGUA AS A MEMBER OF GATT OUGHT TO OBTAIN BETTER TARIFF CONCESSIONS FROM THE US THAN DO ITS CACM PARTNERS WHO ARE NOT MEMBERS. EMBOFFS EXPLAINED THAT IT IS VERY DIFFICULT FOR THE US TO GIVE SPECIAL TARIFF CONCESSIONS TO A SINGLE COUNTRY, EVEN ONE AS FRIENDLY AS NICARAGUA, BECAUSE THE WHOLE SYSTEM OF TARIFF CONCESSIONS IS A COMPLEX AND INTRICATE ONE AND BECAUSE OF OUR INTEREST IN ENCOURAGEING THE CACM AS AN ENTITY. MFA INTERLOCUTORS SEEMED TO ACCEPT EXPLANATION AND NEITHER PRESSED MATTER NOR INDICATED ANY SPECIFIC TARIFF CONCESSION IN MIND.

6. COMMENT: TORUNO'S INFORMAL DEMARCHE APPEARED TO BE PRO FORMA AND INDICATIVE OF WISHFUL HOPE THAT USG WOULD ACCORD NICARAGUA SPECIAL FAVOR OWING TO LATTER'S STEADY SUPPORT OF US OBJECTIVES IN VARIOUS INTERNATIONAL FORA.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MANAGU 03782 112121Z

THEBERGE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TROPICAL PRODUCTS, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANAGU03782
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760309-1273
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760865/aaaacelo.tel
Line Count: 155
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 170415
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 08 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 APR 2004 by CunninFX>; APPROVED <04 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TROPICAL PRODUCTS NEGOTIATIONS: CACM CONTRIBUTIONS
TAGS: ETRD, NU, US, CACM, MTN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006